

Interagency Group/Countermeasures

Washington, D.C. 20505

D/ICS-83-0676
10 May 1983

MEMORANDUM FOR: Members and Invitees

FROM:

Executive Secretary

SUBJECT:

Interagency Group/Countermeasures (IG/CM)
Administrative Actions

1. The final minutes of the fourth IG/CM meeting are enclosed as Attachment 1. Addressees are requested to examine the minutes and complete assigned actions as required.

2. The fifth meeting of the IG/CM will be held on Friday, 3 June 1983, at 1400 hours. The meeting will convene in Rm. 6744, Department of Justice, 10th and Pennsylvania Avenue, N.W., Washington, D.C. Seating space in the DoJ secure conference room is limited; therefore, attendance at this particular meeting should be restricted to the minimum required to address agenda items.

a. The meeting agenda is enclosed as Attachment 2. Addressees have already received materials pertinent to all issues listed in paragraph 2 of the agenda except for the draft industrial security policy memorandum, which is enclosed as Attachment 3. It is anticipated that the status reports reflected in paragraph 3 of the agenda will be limited to 2-3 minutes each.

b. Members and invitees are requested to call by COB 31 May with the names of individuals who will be attending the meeting.

3. NSA has submitted a proposed new issue for IG/CM consideration, which is enclosed as Attachment 4. Addressees are requested to prepare respective agency comments/positions on the proposal for discussion at the 3 June meeting.

NAVY Review Completed

Attachment:
a/s

Regraded Unclassified when
attachment is removed.

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OS REGISTRY

3-1132/1

SUMMARY OF IG/CM MEETING

14 APRIL 1983

25X1 1. The fourth IG/CM meeting was convened at 1400 hours, 14 April 1983, by the Chairman (DUSD-Policy), General Richard G. Stilwell, USA (Ret.). A listing of individuals attending is attached.

25X1 2. General Stilwell advised the membership that on 11 March 1983 the SIG(I) had approved the IG/CM paper on Foreign Civil Overflights of the U.S. and had forwarded it to the NSC for further action. He also advised that the IG/CM-approved report on Unauthorized Disclosures had been signed by the President as NSDD-84. The NSC is involved in working groups which are ironing out implementation procedures. The Chairman reported he had provided the Senate Select Committee on Intelligence (SSCI) with a status update on issues the IG/CM is currently considering and that the SSCI seemed pleased with the extent of IG/CM involvement. General Stilwell commented on the French Government expulsion of 47 Soviets for reported involvement in intelligence activities (technology transfer) and observed that the incident will hopefully have a beneficial effect in the U.S.

3. The Chairman invited attention to the agenda and called for status reports on listed issues:

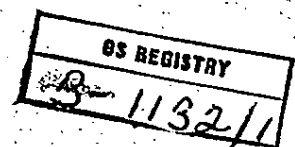
25X1 a. Foreign Civil Overflights. The Chairman recalled his opening remarks and suggested that Mr. deGraffenreid, NSC representative, keep the membership posted on the paper's status in the NSC.

25X1 Action: Mr. deGraffenreid is to report on the overflight paper status at the next IG/CM meeting.

b. Unauthorized Disclosures. Mr. deGraffenreid reported on progress of the task to develop implementing procedures for NSDD-84. Essentially, there are four segments being examined. Steve Garfinkle of the ISOO is chairing a group examining the prepublication review aspect and other forms. This group has identified a number of policy questions and is seeking the appropriate channel for their resolution. A Media Contacts Group led by Bob Simms is just starting its tasks. The two remaining groups are led by DoJ. The Unauthorized Disclosure Investigative Procedures Group is examining the criteria the FBI will use to initiate unauthorized disclosure investigations. It is also working with OPM on the polygraph issue. The fourth group is examining the Federal Personnel Security Program. It is, therefore, doubtful that implementing drafts will be ready by the 18 April deadline. Mr.

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ATTACHMENT 1



deGraffenreid noted that a number of new investigations are being called for under the thrust of NSDD-84. []

Action: The NSC representative will keep the IG/CM apprised of significant developments concerning the development of implementing procedures for NSDD-84. Another status report is requested at the next IG/CM meeting. []

c. OPSEC. The OSD representative, Mr. Snider, distributed an OPSEC policy paper which integrates all member comments received to date. State is to take a final look at the paper and provide concurrence decision by not later than 18 April. All other members concurred with the paper.

Action: The IG/CM Secretariat is to forward the OPSEC paper to the SIG(I) subsequent to noon, 18 April, monitor its status, and report as necessary to the IG/CM membership. []

d. Fourth-Level of Classification. Mr. Snider advised he had discussed the "Confidential Modified Handling Authorized" (CMHA) classification possibility with ISOO as promised. ISOO, while agreeing that such a classification could be implemented with modification of the ISOO Directive, opposed doing so. The principal objections were the probable confusion which would result and the adverse impact it would have on Defense contractors. Mr. Snider distributed a related study done by Mr. Art Van Cook and advised that the ISOO Director has recommended its conclusions as an alternative to the CMHA approach. The study suggests each agency protect sensitive information through implementation of its own internal controls and offered a way in which DoD could accomplish this. Mr. Snider indicated OSD would like to put the fourth classification issue on hold until DoD evaluates the Van Cook approach more thoroughly. He advised the Van Cook study reportedly takes the legal (FOIA) aspect into consideration. The Army (Col. Press) and Air Force (Mr. Paseur) representatives responded to the Chairman's request for comments. They indicated they still strongly support having a fourth classification and have great concerns about industry/contractor adherence to the "internal" controls concept, but will examine the Van Cook study. Mr. Snider advised that on 21 April the Senate Judiciary Committee will consider the legislative action the IG/CM recommended to exempt technical data from FOIA provisions. []

Action: Members are to examine the Van Cook study and prepare to comment on it as an alternative to the fourth classification proposal. DoD is to coordinate its position. []

e. Damage Assessments. The SECOM representative, [] introduced a paper distributed to members via IG/CM Secretariat memorandum dated 7 April 1983. After summarizing the various options for

a lessons learned data base, he recommended one of the options be chosen, that it be limited to intelligence compromises only, and that a pilot study be conducted to determine how well it meets the needs. General discussion followed on the cost of a pilot program--estimated at \$200,000 over a one-year period, what purposes a data base would/should serve, and what ingredients should make up the data base. The Justice representative, Ms. Lawton, pointed out two problems: If the data base contained names of individuals on dissemination lists, we would have a Privacy Act problem; if CIA holds the data base files on compromises which are the subject of ongoing criminal investigations, this could raise a question of CIA involvement in domestic law enforcement. State and Defense objected to the inclusion of names in the data base. DoD further observed that their attempt to construct a similar type data base yielded questionable results. A review was given of why the issue of damage assessment was before the IG/CM, what the task has been to SECOM, and where we now stand. []

Action: The Chairman asked members to examine options (1) and (2) of the SECOM paper. Members are to identify, in writing for each option, what individual agency preferences are for: (1) the purposes of a lessons learned data base, e.g., what it is hoped the data base will accomplish/permit; (2) what input elements the data base should contain to accomplish the purposes; and (3) any specific input elements the agency would not support in a damage assessment lessons learned data base. These items will be discussed at the IG/CM meeting and subsequently provided to SECOM for reconstruction of a second strawman. []

f. Industrial Security. Mr. Snider reported the results of his research into the best vehicle for national level promulgation of the FOCI provision of the DoD Industrial Security Regulation. A National Security Council Policy Memorandum was the vehicle recommended to and approved by the membership. []

Action: DoD will prepare a draft policy memorandum on Industrial Security and arrange for its timely distribution so that members can comment/concur at the next meeting. []

g. Personnel Security. The DoJ representative, Mr. Cinquegrana, advised that the new NSDD-84 specifies that DoJ will chair the research into implementation procedures for personnel security aspects of that Directive. Since DoJ representatives had previously deliberated with the IG/CM working group on personnel security, DoJ will look into incorporating the conclusions of the IG/CM group into NSDD-84 actions. DoJ is considering different approaches to the project, including the option of two subgroups chaired by OPM and DoD respectively. A final approach, however, will not be decided upon until initial consultations are completed with DoD and OPM.

25X1 Action: DoJ will continue to work the personnel security issue as chartered by NSDD-84, and DoD representatives, working with DoJ, will push for incorporation of the IG/CM working group's conclusions into national policy documents. []

25X1 h. COMSEC Monitoring. The NSA representative, [] advised that a draft of NACSI 4000 had been out for comment since February 1983. The civil sector had no comments but the Military Services, with Navy leading, had several. He opined that rewording of the draft, in coordination with DoJ, will resolve problems and that a final draft could be out by May. []

25X1 Action: NSA is to continue to push for earliest completion of the final draft and advise the IG/CM of significant problems if they occur. []

25X1 i. Organizational Study. [] Study Director, advised that a final draft of the Organizational Study would be out to members by 10 May. A minimum of two weeks will be required for field comment, and subsequent drafts are anticipated. As a result, it was determined that the SIG(I) Chairman be advised that it is unlikely the study will be completed by 31 May. []

25X1 Action: The IG/CM Chairman will advise the SIG(I) Chairman of the slip in completion date. [] will continue efforts to expedite completion of the study and advise of significant problems if they occur. (U)

25X1 j. TEMPEST Policy. The NSA representative advised that the Subcommittee on Compromising Emanations (SCOCE) has been working on alternatives for TEMPEST policy. A draft revision of CONUS TEMPEST Standards is to reflect considerable relaxation of current requirements. Overseas requirements are to remain high. The Chairman suggested deferral of discussion on this issue until completion of the Organizational Study since the study will also address TEMPEST considerations. []

Action: IG/CM action on this issue will be held in abeyance until completion of the Organizational Study.

25X1 k. Security Enhancement of U.S. Embassies. The Chairman discussed SIG(I) reaction to this subject when surfaced at its 11 March meeting. The results of that meeting, as well as a DIA position paper distributed to members at the instant IG/CM meeting, caused the Chairman to suggest the need for redefinition of the problem the IG/CM needs to consider. The Chairman asked that State chair a working group composed of State, DIA, CIA and NSA members, at a minimum, to accomplish a reexamination of the problem and to report findings to the membership. []

25X1 Action: State is to identify a chairperson and call a meeting of appropriate representatives to reconsider what aspect(s) of the security of U.S. embassy problem the IG/CM needs to address. The principal guide in this review is to be pertinent portions of Chapter VII in the study, "Capabilities Against the Hostile Intelligence Threat, 1983-1988." []

4. The Chairman opened the floor to discussion of new issues for IG/CM consideration:

25X1 a. Both DoD and State suggested that knowledge of the background, methodology, and purpose of the recent French Government expulsion of Soviet diplomats would provide beneficial lessons learned data to Intelligence Community members. []

25X1 Action: IG/CM Secretariat is to coordinate with CIA on the possibility of a briefing on the subject and report to IG/CM members at the next meeting. []

25X1 b. The Navy representative, Captain Hoskins, passed out a list containing five proposed issues (attached). The Chairman asked the membership to review the proposed issues and prepare their views on acceptability for IG/CM consideration. []

25X1 5. The meeting adjourned at 1550 hours. []

DEPARTMENT OF THE NAVY CANDIDATE ISSUES FOR THE
INTERAGENCY GROUP/COUNTERMEASURES

1. (U) National Policy on Use of the Polygraph. A number of individual initiatives have been launched in this area; the cumulative effect of these possibly disparate efforts needs to be examined and a national policy developed.
2. (U) National Policy on Anticompromise Emergency Destruct (ACED). A new family of equipment is being developed by the Navy which will permit the anticompromise emergency destruction of sensitive information and equipment. However, lack of a national policy and appropriate funding may limit the effective development of the new ACED devices.
3. (S) National Policy on ADP Security. At present there appears to be considerable differences in the application of ADP security measures. This is of particular concern since it appears that ADP security vulnerabilities are targeted for exploitation by hostile intelligence services.
4. (C) National Policy on Secure Telephones. The loss of sensitive information in non-secure telephone conversations is a major security problem which may be solved only by high-level support for greater availability and use of secure communications equipment.
5. (U) Definition of Unclassified National Security Information. Certain national policy now requires that such information be protected; in order to protect this information, it must first be defined and protective thresholds established.

Classified by: Multiple Sources
Declassify on: OADR

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AGENDA

Fifth IG/CM Meeting
3 June 1983

1. Chairman's Opening Remarks
2. Discussions:

- a. Review of DoD-prepared industrial security policy memorandum. Member concurrence decision.
- b. Review of agency inputs to damage assessment lessons learned data base issue. Course of action decision. (memo)
- c. Review of Navy-proposed IG/CM issues. Decision on acceptability. Assignment of action as appropriate.
- d. Review of NSA-proposed IG/CM issue. Decision on acceptability. Assignment of action as appropriate.

3. Status Reports:

- a. Overflight policy paper -- NSC representative
- b. NSDD-84 -- NSC and DoJ representatives
- c. NACSI-4000 -- NSA representative
- d. Embassy security enhancement working group -- State representative
- e. Countermeasure organizational study -- CCIS representative
- f. French expulsion briefing -- CCIS representative

ADMINISTRATIVE NOTE:

The IG/CM Chairman has accepted DoJ's offer to host the fifth IG/CM meeting at the new DoJ secure conference facility. Attendees will find use of the DoJ entrance at 10th and Pennsylvania Avenue the most convenient for access to Room 6744. (Sixth floor; left off elevator to first corridor. For additional directions once in the DoJ building, if needed, call Barbara, 633-3738.)

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ATTACHMENT 2



POLICY

WASHINGTON, D.C. 20301

9 MAY 1983

MEMORANDUM FOR THE EXECUTIVE SECRETARY, INTERAGENCY GROUP/
COUNTERMEASURES

SUBJECT: Draft NSC Memorandum Industrial Security

At the 14 April meeting of the IG/CM, it was agreed that the proposed national policy statement in the area of industrial security -- dealing with the ownership of U.S. firms by foreign interests -- would be placed in the form of an NSC memorandum, rather than as an amendment to E.O. 12356 or ISOO Directive No. 1.

Accordingly, the proposed memorandum has been prepared, incorporating what had previously been agreed to by the IG/CM without objection. Request that copies be provided IG/CM members in advance of the next meeting, so that this memorandum may be considered for transmittal to the SIG-I.

L. Britt Snider

L. Britt Snider
Director for Counterintelligence
and Security Policy
OSD Member

Attachment 1
Proposed Memorandum

ATTACHMENT 3

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NATIONAL SECURITY AGENCY

FORT GEORGE G. MEADE, MARYLAND 20755

Serial: N/0582
26 April 1983

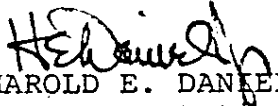
MEMORANDUM FOR THE EXECUTIVE SECRETARY, IG/CM

SUBJECT: Proposed New Agenda Item

1. Enclosed for consideration as an IG/CM agenda item is an issue paper on cryptographic access requirements and an associated proposed NSDD entitled "Safeguarding Cryptographic Information and Material."

2. The National Security Agency believes a formal cryptographic access program is the key element in our efforts to counter the HUMINT threat to U.S. cryptography. Pursuing the initiative begun in NSDD-84, our proposed NSDD would establish a national cryptographic access program based on several criteria, including a requirement for consent to aperiodic, limited polygraph examinations.

3. I recommend the enclosure be circulated to the members for discussion at our next meeting.


HAROLD E. DANIELS, JR.
NSA Representative, IG/CM

Encl:
a/s

Attach. 4.

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